Terms of Appointment of Chairman of IDBI

54. SHRI S. M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) what are the terms of appointment of the Chairman of IDBI;

(b) whether a new Chairman of IDBI has taken over;

(c) whether it is a fact that Government have the power to revoke the appointment of a Chairman of IDBI;

(d) if so, whether it is also a fact that there has been adverse newspaper reports on the recent style of functioning of the Chairman of IDBI; and

(e) if so, what steps will be taken to revoke the appointment to set an example to all PSU appointees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) to (c) and (e) In terms of Articles of Association of IDBI Ltd., Chairman of IDBI Ltd. on whole-time basis is appointed by the Government for a tenure not exceeding 5 years. The Central Government have the right to terminate the term of office of the Chairman by serving notice of not less than 3 months in writing or three months salary and allowances in lieu of such notice.

The erstwhile Chairman of IDBI Ltd. appointed by Government w.e.f. 1.10.2003 to 31.5.2007 had relinquished his charge on 18.2.2005 upon his appointment as Chairman, Securities and Exchange Board of India (SEBI). The senior most Executive Director has been appointed by Government as Whole-time Director in-charge of the Chairman of IDBI Ltd. upto May, 31, 2005 or until the appointment of the new chairman whichever is earlier.

(d) No. Sir.

Means Employed by Banks for Recovery of Loans

55. SHRI S. M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether the RBI has given a free hand and total freedom to all banks to offer attractive consumer loans;

(b) if so, what are the reasons for the RBI for not laying down any guidelines;

(c) whether the RBI is aware that the banks have engaged agents on a contractual basis to recover such loans from the consumers;

(d) whether the RBI has allowed banks to hire strong arm agents to recover loans through highly questionable ways; and

(e) if so, whether RBI will review its policies on these matters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) and (b) Reserve Bank of India has laid down guidelines for lending to different sectors of the economy by public sector banks. Every bank has a well-defined loan policy duly approved by their respective Board of Directors. Banks, however, exercise their commercial judgement in lending to different sectors including consumer loans.

(c) Yes, Sir.

(d) No, Sir.

(e) Does not arise.

Outstanding Loans of Banks

†56. SHRI MOTILAL VORA: Will the Minister of FINANCE be pleased to state:

(a) the amount of Nationalised Banks outstanding against big and medium industrial houses and since when;

(b) what steps Government have taken for its recovery and when such steps were taken; and

(c) by when the said amount is likely to be recovered?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) The total outstanding amount of scheduled commercial banks against big and medium industrial houses is about Rs. 247210 crores, out of which Rs. 29109.89 crores pertains to weak and sick large and medium scale industries.

† Original notice of the question was received in Hindi.